

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1397 - HB 1721

March 30, 2009

SUMMARY OF BILL: Effective October 1, 2009, requires every health insurance entity to establish and maintain a Web site that is only accessible to health care providers and to provide a procedure for health care providers to undergo an internal reconsideration and independent review process for claims that have been partially or wholly denied or recouped. Requires the Commissioner to develop criteria for qualifications of an independent reviewer and to maintain a list of qualified reviewers and the fees associated with independent reviews. Requires entities to report the number of requests for independent reviews during the prior year to the Commissioner by May 1 of each year. Violations are punishable by civil penalties of up to an aggregate total of \$250,000. Effective July 1, 2010, requires every insurance entity to provide a web-based pre-adjudication tool to be used by a health care provider prior to submitting claims to the adjudication system used by the health insurance entity. Failure by any insurance entity, to comply will result in the Commissioner of Commerce and Insurance assessing penalties of up to \$1,000 per offense. This bill does not apply to a contract between a health care provider and Medicare; a state group insurance plan, TennCare or any successor program, the CoverKids Act of 2006; or the Cover Tennessee Act of 2006.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

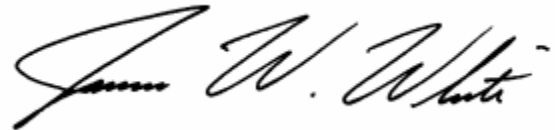
Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation could result in an increase in the cost of health insurance premiums. Any additional administrative costs incurred by the health insurance companies could result in a shift in those costs to enrollees through an increase in premiums that would exceed \$100,000.

Assumption:

- Any cost associated with the administration and enforcement of the requirements of this bill can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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